

ARIZONA STATE PARKS BOARD
4050 RED ROCK LOOP ROAD, SEDONA, AZ.
JULY 19, 2007
MINUTES

Board Members Present:

William Cordasco, Chairman
William Scalzo,
William Porter
Arlan Colton
Reece Woodling
Tracey Westerhausen
Mark Winkleman

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Consultant, Fundraising and Friends
Debi Busser, Executive Secretary

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General
Nathan Fidel, Intern Assistant Attorney General

A. CALL TO ORDER – ROLL CALL

Chairman Cordasco called the meeting to order at 10:09 a.m.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

The Board and Staff introduced themselves. Mr. Trevor Hare, Chairman of NAPAC and Mr. Don Young, NAPAC member, introduced themselves. Mr. Hare noted that he will not be present at the October Board meeting, but that there would be a representative to give an update on what they are doing.

C. CONSENT AGENDA

- 1. Approve Minutes of May 17, 2007 Arizona State Parks Board Meeting**
- 2. FY 2008 SHPO Workplan Task List** – Staff recommends approval of the FY 2008 SHPO Workplan Task List.

Mr. Travous requested that Consent Agenda #1 be removed so that additional edits can be made.

Mr. Porter made a motion that the Consent Agenda, except for approval of the Minutes of the May 17 meeting, be approved. Mr. Scalzo seconded the motion. The motion carried unanimously.

D. ACTION ITEMS

- 1. Revised FY 2008 and FY 2009 Operating Budgets** – Staff recommends approval of the Revised FY 2008 and FY 2009 Operating Budgets as presented.

Mr. Siegwarth stated that the revised budget is on page 5 of the Board packet. Sometimes some of the details aren't that clear. The motion on page 5 encompasses not only the Operating Budget but also the Capital Improvement Budget. He wants to be painfully clear that imbedded in the Capital Improvement Plan is a request from staff to

set aside \$700,000 in Historic Preservation money for the potential purchase of the Picket Post House. That money is to be addressed in more depth in the Executive Staff Update under Picket Post House. He also thought the Capital Improvement Plan would be discussed in more detail yesterday but it wasn't. He wants to be clear that that is a controversial issue that he wants the Board to be aware of before making any motions.

Mr. Ream added that the set-aside is not to purchase the Picket Post House. It is in no way a commitment of this Board to that acquisition; but, if we don't set it aside now, then Grants will be set aside for that money and that will put us a year behind for that money. If we put that money aside while negotiations are moving forward for Picket House we can use that money if needed. The Board can have that choice. Otherwise, it will go back to the Grants program.

Mr. Porter stated that with that background he would like to make a motion.

Board Action

Mr. Porter: I move that the Board approve the FY 2008 and FY 2009 revised operating budgets as a lump-sum and direct the Executive Director or his designee to implement the programs, including submittal to the Governor's Office and legislature as required. I further move approval of the FY2008 and FY 2009 Capital Improvement Plan and the 2008 SHPO Work Program Task List.

Mr. Scalzo seconded the motion.

Mr. Colton noted there was discussion yesterday about going back for a supplemental. He asked if that is included in this motion.

Mr. Porter responded that it is part of the motion.

Ms. Hernbrode noted she had a procedural point to make. The SHPO Work Program Task List was approved on the Consent Agenda.

Mr. Ream requested that Mr. Porter amend his motion to make it FY09 – FY10 Capital Improvement Plan. The Board already has a 2008 Plan.

Mr. Porter agreed to amend his motion to read FY 2009 and FY 2010 Capital Improvement Plan. Mr. Scalzo, as the second to the motion, agreed to the amendment.

Mr. Scalzo noted that Mr. Ziemann is meeting today with JCCR on the necessary funds to do the study on Lake Havasu. He asked if that will require another amendment to this budget.

Mr. Siegwarth responded that that was approved by the Board previously.

Chairman Cordasco called for a vote on the amended motion on the floor. The vote carried unanimously.

2. **Capital Improvement Plan** – Staff recommends approval of the FY 2009 and 2010 Capital Improvement Plan.

This issue was approved in the above Board Action.

3. **Consideration and Adoption of the Arizona State Parks Board and Arizona State Parks Foundation Memorandum of Understanding** – Staff recommends approval of the Arizona State Parks Board and Arizona State Parks Foundation Memorandum of Understanding.

Mr. Porter noted that this document was submitted to the Board as the end result of a lot of discussion that has been going on for a long time, probably more than a year. A lot of issues needed to be resolved. He thanked everyone who's been involved, including the Board, Staff, Arizona State Parks (ASP) Foundation, and the Attorney General's Office. The Attorney General's Office has been involved with the Board trying to keep the Board on the straight path. He believes that the document now before the Board accomplishes those things. There may be imperfections. That's almost inevitable sometimes; however, he believes it certainly accomplishes the purpose. There was, however, one item he had proposed that was left out. He asked the Board to turn to page 7 of the Board Packet, paragraphs 5, 6, 7, and 8. The motion he is prepared to make would delete paragraphs 6, 7, and 8 and be replaced by one paragraph 6 which would read as follows:

- "6. Obtain written approval from the State Parks Director or his designee in advance of any activities to raise money for specific projects on Parks' property including acquisition of additions to current parks, acquisition of new parks, or for any statewide or regional activities on behalf of the State Parks system, e.g., a new state park plan; or a plan to cope with projected growth in cooperation with other state agencies and /or Non-Governmental organizations."

Mr. Travous asked what this change accomplishes.

Mr. Porter responded that it simply takes three repetitive paragraphs and combines them into one cohesive paragraph.

Board Action

Mr. Porter I move that the Parks Board approve this Memorandum of Understanding with the Arizona State Parks Foundation with the changes made.

Ms. Westerhausen asked when the words "special projects on Parks' property" or words to that effect are used, does that mean projects that are for the Parks' property or are they actually events that are held on Parks' property.

Mr. Porter responded that they cover both. The ASP Foundation Board know they are doing the Parks Board's bidding and helping the Parks Board. At the same time, the ASP Foundation Board is responsible for anything they do on state property.

Mr. Scalzo seconded the motion.

Chairman Cordasco noted that there were two people from the ASP Foundation present who wished to address the Board.

Mr. Doug Frerichs, President of the ASP Foundation addressed the Board. He thanked the Board for allowing them to speak and for the work the ASP Board has done, as well as the Attorney General's Office and Mr. Travous in developing this Memorandum of Understanding (MOU). He noted that this has been the Board's MOU all along. Mr. Travous presented it to them and they appreciate that greatly. Adjustments have been made over the past several months. They believe it's an excellent document. He agrees with the changes Mr. Porter made to the document.

Mr. Frerichs added that there have been a number of milestones met and achievements made over the past several years since the Foundation was formed. Their organization has taken a good deal of time to get where it is. It has taken longer just to get its

structure in place (3 years) than some people think should have happened. In the last few months they have been developing another legal agreement that deals with how they deal with their affiliate organizations and friends groups in how they assure they properly come under the 501(c)3 status and still have their independence. They have spent a lot of time on that. They understand the need to be a very well-structured, legal organization that works in tandem with state government.

Mr. Frerichs noted that in the last year they have accomplished a number of things. One is the fostering of friends groups. ASP already has pre-existing friends groups. The Foundation has already brought one of the friends groups in. Ron Hummel, who is on their board, wants to bring in his organization. They helped foster a new friends organization with the help and leadership of Mr. Travous – the Friends of the Verde River Greenway. They just got up and running and will really be active this fall. Most recently, the Friends of Oracle have become interested in becoming a 501(c)3 under the Foundation. The Foundation sees themselves as bringing these groups together in a beneficial way under an umbrella and give them grants and sponsorship. The Foundation can help unify some of them.

Mr. Frerichs added that partnerships is another area where they are beginning to get their feet on the ground. They have two partnerships. One is with the Ecological Monitoring Assessment Program at NAU, which the Parks Board Chairman heads. It has to do with the baseline study of riparian areas in the Verde Valley. That will be of enormous help because the Board essentially has six parks along that area from Red Rock downstream to Fort Verde. They have been involved with the Slide Rock Apple Festival, they have helped fund some of the 50th Anniversary events (including the event at the Capitol).

Mr. Frerichs added that, lastly, they are involved in fundraising. He believes that all of those things argue for a good, strong MOU.

Chairman Cordasco thanked Mr. Frerichs for being at this meeting.

Mr. Bill Roe, ASP Foundation Board member and former ASP Board member, addressed the Board. He stated that it was a pleasure to be with the Board today. He noted that he was on the Board when Red Rock became a state park in 1986. There have been some major changes – the buildings are gorgeous, the setting is lovely. The amount of development around the park is stunning. In the 1980s it was an entirely different world up here. That was the era of Slide Rock, Red Rock, Oracle and Homolovi. It was a time when the Board was adding state parks. In recent years it's slowed down for a variety of reasons (mostly money) of which this Board is aware. Yet we have a state that is growing. We need a planning process; we need to provide for more state parks; we need to prepare for these people who are coming. One of the things the Foundation can do is assist with that.

Mr. Roe stated he began worrying about this when he was on the Board several years ago. What brought it home to him was several years ago when he took a family trip to Roper Lake. Roper Lake was inundated with people. While everyone had a marvelous time, there was no way to communicate to anyone their support for the ASP system. There were no friends groups; there was no Foundation. And, frankly, the legislators in the area were antagonistic to the ASP budget, which struck him as absolutely crazy. He has been nagging for years and years about a board foundation. As with any small organization or child, it takes a while to get going.

Mr. Roe reported that during its first three years the Foundation has made progress. He noted that Ms. Statler gave a presentation to the Board yesterday about the Foundation and the friends groups. The Foundation has 17 projects (roughly \$100,000) that she detailed yesterday that they have put into the park system so far. That should continue to accelerate dramatically as they become better organized.

Mr. Roe noted that all great parks systems have a Foundation working with them and they all have an MOU to assist in working with them. It's been a rocky start with determining Ms. Statler's time with the Foundation vs. with the agency. A lot of ministerial things have already been removed from her duties. They have taken away treasurer's duties. They have their own accountant; they do their own taxes. They do their Minutes separately. Eventually they should have their own office and staff. It will never, however, remove her responsibility from coordinating with their Board, ASP Board, and staff to do what we need to do whether it be planning on a statewide basis, whether it adding parks and programs. We've got to be in close coordination. It will never remove that responsibility. It will be a different responsibility than it's been over the last three years.

Mr. Roe stated that, in looking to the future, he is concerned that there is not enough planning being done. He believes the Foundation needs to help by nudging the Board and Mr. Travous and help find the funding for a planning process that has not been done in years due to lack of funding. The addition of new parks as was done in the 1980s has stopped. There have been very, very few additions.

Mr. Roe noted that the Foundation's overhead is low. Their staffing is all volunteer. Even so, they have functioning subcommittees and have become much better organized. He added that they are happy with the agreement and are excited at the prospect of moving forward with the Parks Board.

Mr. Colton asked if the Foundation is happy with the amended version of the MOU.

Mr. Roe responded that it is fine.

Ms. Westerhausen noted that she had some questions regarding the relationship between the Board and the Foundation regarding Ms. Statler's role. She noted that it is her understanding that the Board has the asset of having Ms. Statler as a liaison to the Foundation. She doesn't understand what that means.

Mr. Travous responded that he hired Ms. Statler to put together a foundation. He didn't have the time to do it. She had experience with foundations and running them. He knew she could do the job. In the first couple of years her job consisted of calling people, him calling people, and using that time to coordinate things, including the minutes, the funds, etc. The problem became whether her time could be used for certain duties. The Foundation is slowly taking those duties away. They now have their own Treasurer; someone else takes their minutes, and they have their own computer that Ms. Statler uses. At this juncture Ms. Statler still helps put their Agendas together and assists in coordination of meetings. As liaison, Ms. Statler coordinates and oversees these things in the absence of the Foundation having someone to do them at this time.

Mr. Siegwarth added that he finds it very helpful to have only one person coming to him with questions. The Foundation has many events at many different parks with many different questions. It is much easier for them to deal with one person. While

anyone (public or agency) can call him, it is much easier for him to deal with one person.

Mr. Travous noted that coordination of these events is probably a good example. The Foundation is buying cakes and things are going in several different ways, it eventually comes through Ms. Statler to others involved.

Ms. Westerhausen stated that she understands that Ms. Statler has a lot of good contacts that could be used for fundraising, whether it is for the parks or the Foundation. She hopes that her liaison could include the use of those assets that she brings to the table. It seems to her that it's good that the Foundation has other people doing the paperwork because that's a waste of her talents. She just wanted to get a better grasp on how we were utilizing her skills.

Mr. Colton referred to the first page of the MOU. He noted there are two places – the third paragraph and under the bullet "The Foundation will:" they refer to the "Agency". He noted that "the Agency" is not mentioned anywhere else in the document. He wondered if this was a carryover from another version of this document and should instead read, "Parks".

Ms. Hernbrode responded that Mr. Colton was corrected and thanked him for finding that error.

Mr. Porter noted that he wished to amend his motion to include the changing of the words "the Agency" with "Parks" in the MOU. Mr. Scalzo agreed to the change.

Ms. Hernbrode noted that she is very pleased to get to this point. It has been a special project of hers. She is very pleased that we're at a point where the Board is looking at this MOU for approval. One of the questions the Board asked her to review this last time regarded indemnification language. While there is indemnification language in this document, there is no insurance language. She would like to discuss the consequences of that; however, there is no provision for an Executive Session on this Agenda nor is there the usual language on the top of the Agenda that allows the Board to go into Executive Session to seek legal advice. One of the reasons for an Executive Session is to preserve the Board's attorney/client privilege. She is willing to give the Board legal advice in a public meeting if it is the Board's desire, or she is willing to let the agreement stand as it is now.

Mr. Porter suggested that the Board follow the Agenda and leave the Executive Session for legal advice to the next meeting. He believes he knows what Counsel wants to say. He doesn't believe it would change what the Board will do today.

Mr. Hernbrode responded that she does not want to put a roadblock in front of this agreement. She thinks it is a good agreement and that the Board should go forward with it. The Board has the ability to amend this MOU. She believes this is a good document and recommends that the Board approve it at this time. She apologized for not getting the insurance issue on the Agenda in time.

Chairman Cordasco asked if there was any further discussion. There being none, he called for a vote on the motion on the floor, as amended. The motion carried unanimously.

Mr. Travous noted that he has known Mr. Roe for a long time and that Mr. Roe has been engaged with the Parks Board over the years. After meeting Mr. Frerichs, he

found that Mr. Frerichs has been involved in so many things for so long and knows so many people that he was amazed he hadn't met Mr. Frerichs 15-20 years ago. He's been a real asset and Mr. Travous thanked him for being a part of what we do.

E. DISCUSSION ITEMS

1. Update on San Bernardino Ranch

Mr. Porter reported that there is nothing new to report. Quiet discussions continue with the Johnson Foundation Board – particularly Mr. Harvey Finks. He still very much wants the Board to take the San Bernardino on. He is not prepared, at this time, to up his offer to where we need it to be. He has succeeded in hiring a new manager at the ranch.

Mr. Porter stated that he has suggested that Mr. Woodling, as the Chairman of the Malpai Group, might want to enter into separate discussions regarding using that property as headquarters for the Malpai Group.

2. Update on Contact Point

Mr. Ream reported that Mr. Ziemann is in a meeting with JCCR this morning trying to get the money this Board has already approved using SLIF grant funds for the studies at Contact Point. By September the Board will see an MOU with the City of Lake Havasu similar to the one the Board has with the Chemehuevi Tribe for their participation in our planning process at Contact Point. If we have an MOU with one partner on this project we should have an MOU with other partners as well.

Mr. Scalzo asked, providing everything goes well, when a consultant will be called in to put something together.

Mr. Ream responded he believed staff would be lucky to be able to put an RFP together around the holidays, precluding staff being able to get it out much before the beginning of the new year.

3. Executive Order 2007-07 – Re-Establishing the Arizona Invasive Species Advisory Council

Mr. Ream reported that the Governor has extended the Arizona Invasive Species Advisory Council to include quagga mussels. All the previous members still serve on this council, along with a few new members. ASP continues to be a member. Mr. Travous represents the agency as a governor appointee and Joanne Roberts, our biologist, also attends those meetings. ASP is very active in the buffel portion of the program and will be very active in the education of the quagga mussels. He doesn't think we'll ever be able to eliminate them, but we are starting an education program; we're conducting inspections at all of our boat ramps, and are talking about building quagga mussels elimination stations at various boat ramps so contaminated boats that come into our lakes can be cleaned so the quagga mussels won't come back into the lakes.

Mr. Woodling asked if the issue of the buffel grass that's invading the southern part of the state is being handled.

Mr. Ream responded affirmatively. He stated that the agency is participating actively in eradication programs mostly in Pima County right now. This issue was probably the main focus of the Council when it was created, as well as the fire danger it poses.

Mr. Scalzo noted that they have been working closely with NAU. They've done some work in some of their parks toward elimination and are working at trying to get the BLM and Forest Service to join them and he's sure that the state is doing the same because they have so many large properties adjoining state parks, state land and there are many dangers created by that kind of grass. Rather than blaming other people, all we have to do is work together to rid ourselves of this problem.

4. Arizona Heritage Alliance Strategic Planning

Mr. Travous reported that, because of the way this item is noticed on this Agenda, the Board cannot take a vote on the request of the Game and Fish Commission (GF) at their last meeting. However, the Parks Board Chairman has the authority to direct staff to cooperate and coordinate with GF and Heritage Alliance as it goes forward with its plans for Heritage Fund Part 2.

Mr. Porter noted that the Board discussed it yesterday. The Board can take no action whatsoever. It appeared that in the discussion the Board expressed no negativity. He suggested staff put together some kind of proposal and bring it back in September, properly agendized with staff's suggestion for action. Staff should also feel free to suggest whatever action they feel is appropriate in working with GF.

Mr. Travous requested something more direct from the Board. GF meet again in August. The fuse is short because of their recent action. The Heritage Alliance meets August 7 and the Board is invited to this meeting at the Phoenix Zoo where they will review everything. He would like to tell the people at the August 7 meeting that staff have direction to cooperate with them from the Board.

Mr. Porter asked if Counsel would have a problem with the Board saying they want staff to return to them in September with a proposal.

Ms. Hernbrode responded that that would be perfectly acceptable. Her concern is that if the Board say they support this, it is essentially a Board action – whether or not they vote. If that's what the Board wants to do, she suggested that the Board call, on very short notice, a telephonic special Board meeting with a simple Agenda that includes the appropriate language.

Mr. Woodling noted he met with Mr. Bob Hernbrode of the GF Commission several months ago. One of the issues that came up was whether the Parks Board can have a joint meeting with the GF Commission. With what's going on with the Heritage Alliance, this might be something to discuss.

Mr. Travous noted the same question was raised at the last GF Commission meeting.

5. Continue Discussion on the Agency's Future Direction, Where It Needs to Go, and How to Get There and Possible Adoption of Board and Staff Action Plans

Mr. Travous noted that this is a continuation of yesterday's discussion and the Chairman's desire to bring someone on board to do some long-range planning. Internally, staff can provide a lot, but he thinks there is a need to go outside of the agency. He just heard from the Foundation that they would like to be a big part of that. Staff will explore it from the angle between the Board statement and the idea of going forward with an outside planner.

Chairman Cordasco noted that yesterday Mr. Scalzo used the word "succession". Along with long-range planning, there clearly is a succession issue in ASP that has to be addressed. Perhaps this is one of the most urgent issues to be addressed in long-range planning. He requested that be kept in mind in the long-range planning sessions.

Mr. Porter added that someone noted yesterday that there is a tendency to bring employees in and essentially put them on probation for six months and tell them that is they don't mess up for the next six months they're hired. He likes the idea of changing that to keep their jobs they have to show their strengths, their capabilities, and that they are up to the tasks of the job.

6. Grant Programs Overview

Chairman Cordasco noted that every year when grants are awarded it is difficult because of the different matrixes for the various grant programs. The same questions are often asked at that meeting.

Mr. Travous reported that September is the grants meeting. At that time staff distributes money for Heritage Fund, Historic Preservation, for Trails, for State Lake Improvement Fund, for Local, Regional State Parks Fund, for Land and Water Conservation Fund, all of which are listed on pages 14 -16 of the Board Packet. He suggested the Board review them and even bring them to the September Board meeting. Groups of people are applying for \$13 million and the Board only has \$3.7 million to award. The Board does not award money just to award money. Each of the programs need to meet a certain standard. If everything falls below that and there is money remaining, it is not awarded. At least that's what staff recommends. What will happen is that AORCC (of which he is a statutory member) will make recommendations in August on these funds to the Board. If there are any funds left over in these programs and there are projects below the line of funding, you can bet those applicants will be there and they will want the Board to change staff's recommendation to where they get the money they applied for. Those are the discussions the Board will need to have and the decisions the Board will need to make.

Mr. Travous noted that, because of the amount of money available, staff expects that there will be a lot of people at the September meeting. That meeting will again be at the Desert Outdoor Center at Lake Pleasant.

Chairman Cordasco noted that when the Board receive their packets, they will include collective and individual summaries of the projects being applied for. There will also be rankings. Somewhere on that piece of paper will be a line that goes across the page. Those projects above the line are funded; those below the line are not funded. Sometimes there is money left over so those people below the line come to the Board and state that their project is really very good and that they were sick the day staff held the seminar and tried to get someone else to attend but couldn't so they didn't write as good an application as they should. Board members will then sit there and say, "Yes, it is a good project". So, now what does one do? Aside from that, sometimes it will say that those above the line who got 55 points out of 100 points available get their money. On other grant programs it will say those above the line who got 75 points and above get their money. Ratings always become confusing.

Mr. Travous responded that the rating system was brought to staff from the Board almost 10 years ago. They did not want to award money just to be giving out money. Staff came up with a rating system. Under that system, for instance, the Trails grants, if

a grant is worth 100 points then over half of those recommended would rate 75 of the available 100 points. That means that the Board will not be funding a project that only got 10 points. This system was included in the Strategic Plan.

Mr. Siegwarth added that, to free staff from a lot of political pressure, the Board set a standard for what staff recommends. The issue that always comes up is whether the Board can go against staff's recommendation. The answer is yes, the Board can override staff's recommendation as long as there's money available. For Trails the guideline is that 50% of the grants should be funded as high-priority. Half of them must be set aside as high priority. That's the same as OHV, but LRSP (Local, Regional State Parks) and Historic Preservation projects require 75% of the projects have to be high priority. That's how the line is determined. It's based on money and Strategic Plan guidelines. The Board can override staff on the Strategic Plan guidelines because that is just a goal. The Board cannot, however, award more money than is available. That's where a lot of the confusion comes from as to why staff do not recommend certain projects – they stick with the Strategic Plan goal. That is also why, even though some good projects fall below the line and there's money available, staff will not recommend funding for those projects.

Chairman Cordasco asked staff to explain why over the last few years the Historic Preservation Grant program moved to a second cycle.

Mr. Travous responded that there are actually two cycles for the Historic Preservation grants whereby part of the money is awarded in September and part of the money is awarded in February. Staff might make recommendations for the Land and Water Conservation Fund (a federal fund) but might not know at that point in time how much money will be available because it requires notification from the Dept. of the Interior.

Mr. Travous noted that this year, if we set aside \$700,000 from the Historic Preservation fund for the potential purchase of the Picket Post House, it will take \$700,000 from the \$1.7 million available for grants that will be a line and might be controversial. Staff have a "gentleman's agreement" with Historic Preservation that the agency gets 5% of the money for historic preservation projects for ASP. That is not in statute. We've been good to hold to that. Now we have this historic project that could be part of it but will take more than \$700,000 but the Board is setting it aside. That could stir some controversy at the September meeting.

Mr. Porter noted that if the Board makes it clear up front that they are doing this, it should at least help.

Mr. Travous responded that, regarding communication, staff need the Board's help if the initiative goes forward. There's not enough money to do these things. The money doesn't go as far as it did 17 years ago.

Mr. Porter stated he would greatly appreciate if the staff recommendations adhere to the guidelines. He reminded everyone that last year there were mathematical errors that caused embarrassment in that there was a violation of the percentage of high priority projects.

Mr. Scalzo stated that he knows the applicants who fall below the line and didn't score well always come up with wonderful reasons why they did not get those good scores. They will work the Board almost to tears. Staff is very thorough. His experience has been that staff go out and visit these sites and put a lot of time and effort into it. This is

their job. He defers to them in most cases. Sometimes it's difficult. He suggested that the Board keep in mind that staff have done a lot of work on this, and when they are up there the Board should not beat them up.

Mr. Siegwarth noted that one of the Grants staff said that if applicants don't score well, then it is a very difficult grant to administer over its lifetime. Awarding them the money doesn't just mean handing them a check and going away. There's quarterly reporting; 10% is held back; they have to prove it's completed. There's a lot of work after the money is awarded. If they don't get the paperwork done out front it's usually an indicator that people won't be producing down the line, either.

Mr. Colton asked if there is a role for the Board in awarding these grants. It seems that the work is done; the Board listens to the comments, but doesn't deviate. He asked whether the Board ever deviates from staffs' recommendations.

Mr. Porter responded that there is a lot of deviation from staffs' recommendations. There are projects that the Board really feel they should award funds to even though they fall below the line. The Board is sort of a last level because we set the standards. Like Mr. Scalzo, he likes to see a really good reason to override staff recommendations.

Chairman Cordasco stated that these are learning experiences to setting the standards and usually those cases for making those different decisions need to go back to staff to look at how to better work that into their protocols and procedures.

Mr. Scalzo added that there are other boards that review these applicants that are made up of citizens. He sat on the AORCC Board for seven years. They look at these thoroughly as well. There are a lot of eyes on these applicants – it is not just staff. It's a lot of people who are in the community who care about these projects.

Mr. Travous noted that the Board is the final voice for the people. Staff try to do the Board's bidding, but in the final analysis it is the Board who make the decision and are the ones listening to those people who have those arguments. Nothing happens until the Board says it happens. It's all recommendations until the Board says, "Yes," and then staff have the authority to sign the contracts to make it all happen. The Board has the final say.

Chairman Cordasco requested that the September Board packet include the Grant Overview sheets so everyone has it available.

7. Update on Picket Post House

Mr. Ream reported that as recent as last week he met with the Trust for Public Land (TPL). He had lunch with them about two weeks ago when they introduced their new state director and new people in their organization. They asked what he was working on and he told them he is working on the Picket Post House, something they probably would not be interested in. They told him that they worked on the Tovrea Mansion for the City of Phoenix. He told them about this project, the Picket Post House, and that there is another partner involved – the University of Arizona Foundation. They have been very attentive to it. In fact, they went out last week and toured the Boyce Thompson Arboretum and the Picket Post House with their new state director, Paul Audley and Michael Patrick out of their Santa Fe office. They are very interested in helping us craft a deal with the Roses with them and TPL holding that property until ASP can take full possession of it. They would be willing to use their resources to craft that deal with ASP. They would do that study and bring it to staff before we accept it.

The Board does not have \$3 million in hand to make this purchase itself. They are willing to take those kinds of chances and gambles because we can't promise them future years' funding, or so he's told, because it is unknown what the legislature will appropriate to the agency.

Mr. Ream added that, having said that, they couldn't come to this meeting because things have happened so quickly. However, Mr. Audley would like to come and address this Board in September.

Chairman Cordasco asked Mr. Ream to repeat what they would bring to him.

Mr. Ream responded that they are willing to work with the property owners on a purchase of the Picket Post House. If that's successful, the Board's dealings with the Picket Post House would be with TPL and not the Rose family. He doesn't know what kind of deal they might craft with the owners. They have the ability to take options on it, so they may say that they'll purchase one quarter of it now and have options on the other three quarters. This could be good for the Roses because they wouldn't get a lump sum. He doesn't know all the technicalities for tax purposes of their getting \$3 million all in one day. TPL make their money by dealing with the landowners and crafting deals like this. They will make money by a gift from those owners to TPL for the accomplishment of their mission. They offered, they came out, they showed a lot of interest. He looked at the house a little more critically. The appraiser says it is in good shape. As Mr. Winkleman noted previously, it is not in livable shape only because it is not a modern house. He distributed packets to the Board as an introduction to TPL in lieu of them attending this meeting.

Mr. Colton noted that he is on TPL's advisory board. He will discuss this with their attorney to see what he can and cannot do to help.

Mr. Ream noted that he will continue to move forward and bring this back as quickly as he can.

F. CALL TO THE PUBLIC

Chairman Cordasco stated that Ms. Anita MacFarlane, Benefactors of Red Rock State Park wished to address the Board.

Ms. Anita MacFarlane addressed the Board. She stated she is the Vice Chairman of the Benefactors of Red Rock State Park, which is the friends group at the park. She welcomed the Board and hoped they enjoyed their stay. She stated she hoped the Board had a chance to look at the Mesquite Trail, which is up by the parking lot. They developed this trail out of something that was nothing. It was the dream of a longtime volunteer, Jo Hamilton, who passed away much too early. They dedicated that trail to her and another longtime volunteer, Ray Reed, in May. They spent more than \$30,000 on material. It's not done yet. They also have the beautiful sculpture there that is also not quite finished. They have also provided other funding for the park such as First Sunday speakers, archeological expos, and developed a scholarship for a student at Red Rock High School this year. They are also working with the high school to try to develop a program here at the park for high schools. Currently, everything is aimed at elementary schools. She noted that they are also trying to develop a website to try to ensure that people in the Verde Valley know about Red Rock State Park. It's amazing how people come to special events and say they never even knew the park was here.

Ms. MacFarlane stated that the Benefactors group has some concerns. One is that the toilets along the trails are in very bad shape. She hopes it's in this year's budget. She understands that it's not the toilets themselves but rather it's the structures. They don't want the structures falling on the park's visitors. Some of the volunteers are concerned that because of the budget problems the Board has experienced in the past, volunteers are being asked to assume responsibilities that rightfully should be performed by staff. They hope the Board will take a look at that. They are willing to volunteer and do what they are trained for, but some of these things are beyond what they should be doing.

Ms. MacFarlane added that another thing they are going to do is work closer with the legislature to try to help the Board with its budget issues. They will work with their legislators to try to ensure they don't cut the Heritage Fund; that they don't cut the budget; and they will do whatever they can to assist the Board with the legislature.

Ms. MacFarlane stated that, as a former Mayor of Sedona, they received several grants from the Board and were very pleased and thank the Board very much. They were able to do so much with those Heritage Fund grants.

Chairman Cordasco thanked Ms. MacFarlane for coming and speaking at this meeting.

G. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. Staff recommends that the next Arizona State Parks Board Meeting be held at the Maricopa County Desert Outdoor Center, Lake Pleasant Regional Park located at 41402 N. 87th Avenue, Peoria, AZ on September 20, 2007.**

Chairman Cordasco stated that the next Board meeting will be at the Maricopa County Desert Outdoor Center at Lake Pleasant Regional Park.

Mr. Scalzo noted that maps will be provided.

- 2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.**

Mr. Porter proposed that the Board call a special telephonic Board meeting during the month of August for the sole issue of discussing possible support of the Arizona Heritage Alliance.

Mr. Woodling asked whether a telephonic Board meeting would be an open meeting and whether anyone could attend it.

Ms. Hernbrode responded that it is really quite easy to set up this kind of meeting. The state has an operator that sets up a line for people to call in on. The number is made available for the Board and the public to call in. The time and place where the public can come and listen will be on the Notice of Meeting and Agenda. It works just like an open meeting. The only difference will be in how the vote is taken because the Board will all be on the phone. Parks' staff do it all the time.

Chairman Cordasco asked if timing of this meeting is critical.

Mr. Travous responded that staff will get something out to the Board to see when Board members are available. He doesn't think this would take more than an hour or so.

Mr. Woodling noted he will be out of the country August 5th through August 15th.

Chairman Cordasco stated that the telephone conference meeting will be on the Arizona Heritage Alliance.

Chairman Cordasco stated that the Agenda for the September Board meeting will include Awarding of Grants; the Minutes of yesterday's, today's and May 17 meetings; a template for the Board Statement; Contact Point MOU; and Update on Picket Post. He reminded staff to include the Grants Overview in the Board Packet for that meeting. He asked if there were any additional items or thoughts for the September meeting.

Mr. Porter suggested having a joint meeting with GF sometime – perhaps sometime in October.

Mr. Travous noted there is a need for an Executive Session in the September meeting to go over the issue of amending the MOU with the ASP Foundation.

H. ADJOURNMENT

Mr. Porter made a motion to adjourn. Mr. Scalzo seconded. The motion carried unanimously and the meeting adjourned at 11:30 a.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Karen Farias at (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

William C. Cordasco, Chairman

Kenneth E. Travous, Executive Director